

**MONTANA BOARD OF HOUSING**

Yogo Inn  
211 East Main St.  
Lewistown, MT 59457  
September 10, 2007

**ROLL CALL OF BOARD**

**MEMBERS:** J.P. Crowley, Chairman (Present)  
Betsy Scanlin, Vice Chairman (Present)  
Susan Moyer, Secretary (Present)  
Audrey Black Eagle (Absent)  
Bob Gauthier (Present)  
Jeanette McKee (Present)  
Jeff Rupp (Present)

**STAFF:** Bruce Brensdal, Executive Director  
Mat Rude, Multifamily Program Manager  
Nancy Leifer, Homeownership Program Manager  
Penny Cope, Marketing & Web Specialist  
Diana Hall, Administrative Assistant

**COUNSEL:** Pat Melby, Luxan and Murfitt

**UNDERWRITERS:** Peter Nolden UBS Financial  
Gordon Hoven, Piper Jaffray  
Beth Sivilie, GK Baum

**OTHERS:** Ray Hickman, Universal Lending – Montana  
Pete Lansing, Universal Lending - Denver  
Suzanne Redinger, Universal Lending - Montana  
Pam Higgins, Midwest Asst. Program  
Tara Cutler, District 6 HRDC  
Carrie Mantooth, Central MT HRDC  
Sheila Rice, MT Homeownership Network/Neighbor Works  
Lynnette Lark, Beartooth NBC TV  
Duane Ferdinand, City of Lewistown

**CALL MEETING TO ORDER**

Chairman, J. P. Crowley, called the meeting to order at 8:30 a.m. J. P. Crowley asked the Board, staff, and guests to introduce themselves.

## **APPROVAL OF MINUTES**

Bob Gauthier moved to approve the August 6th Board meeting minutes as corrected. Jeff Rupp seconded the motion. The Chairman asked for comments. The motion passed unanimously.

## **HOMEOWNERSHIP PROGRAM**

J P Crowley announced that the agenda is being changed to allow Peter Nolden to catch his flight. Peter Nolden of UBS Financial gave an update on the market. It has been very volatile on a day to day basis due to the Sub-Prime mortgage loans and ALT-A loans. Nancy gave an update of the current bond issue, which has approximately \$10 million left. She said the demand for MBOH loans has increased and the average loan amount is also increasing. Staff requested that the Board eliminate the policy of three day notification to lenders of an interest rate increase because of the risk it generates for the Board. Over the three days, the Board can commit anywhere from \$20-40 million dollars at a lower rate at exactly a time when the Board is most at risk. Staff recommended that the next bond issue, 2007D, generate \$55 million in lendable proceeds, with set-aside loans coming from an additional \$9.5 million of pre-Ullman funds. Peter gave a preliminary time schedule for the new bond issue. Bob Gauthier moved to accommodate staff recommendation to waive the 3-day notice to raise rates and give them flexibility to set rates as needed. Susan Moyer seconded the motion. The Chairman asked for comments. The motion passed unanimously.

## **PUBLIC COMMENTS**

Bruce asked the audience for comments on housing in the area. Pam Dickens said the Tax Credit project, Oulette Place is starting construction soon. Carrie Mantooth thanked the Board and MHN for support for the 1<sup>st</sup> time homebuyer education classes and said the cost of land is leveling out.

## **MULTIFAMILY PROGRAM**

Mat Rude updated the Board on the Sage Tower Project which has preliminary approval from the Board for a conduit deal. The hold up is that HUD has not approved them making studio apartments into one-bedroom units, which will decrease the total units.

There was a hearing on the prepared rule for Tax Credits. Mat will bring any comments to the next Board meeting.

The South Forty Apartments conduit bond loan will close this week. The Southern Lights project in Billings may ask for a loan for gap bridge financing.

The Missoulian had an article stating that the Missoula Housing Authority project had a developer back out. Mat said they have other developers lined up and it does not affect the Tax Credit part of the project, which will be developed separately.

The Conduit Policy Revision will be tabled until next meeting. Staff is proposing a fee of 25 basis points for monitoring projects.

Staff presented a Reverse Annuity Mortgage (RAM) exception to the lump sum limit. Board members would like to meet to discuss the RAM Program policy and if there should be a minimum

amount or other counseling. Jeanette McKee moved to approve the RAM exception. Bob Gauthier seconded the motion. The Chairman asked for comments. The motion passed unanimously.

Mat gave the Board a copy of the amended 2008 Tax Credit Qualified Allocation Plan.

### **HOMEOWNERSHIP PROGRAM continued**

Nancy Leifer noted that 3 lenders are asking for approval as participating lenders for MBOH Homeownership loans. Representatives of Universal Lending gave a history of their firm and future plans. Clarion Mortgage Capital Inc. and Indymac Bank also were seeking approval. Bob Gauthier moved to approve the 3 requests for participating lenders. Jeanette McKee seconded the motion. The Chairman asked for comments. The motion passed with Jeff Rupp opposing the motion.

Staff presented several options regarding the 35% rule as requested by the Board. Jeff Rupp moved to approve Option 2 with the modification that number C be modified to require sewer only, rather than sewer and water. Susan Moyer seconded the motion. The Chairman asked for comments. The motion passed with Betsy and Jeff opposing the motion.

A draft Request for Proposal for Master servicer for conventional and RD guaranteed loans under consideration.

Nancy presented the setaside summary. Farmers State Bank requested a one-year extension to use the funds in Teachers Program for Ravalli County. Bob Gauthier moved to approve the extension. Jeff Rupp seconded the motion. The Chairman asked for comments. The motion passed unanimously

### **EXECUTIVE DIRECTOR**

Bruce presented the Housing Division Highlights and the press release for the meeting. Penny Cope told the Board about the updated brochures and about added links on the web page for Homebuyer Education and also Foreclosure Prevention. The Housing Coordinating Team will work with economic developments across the state on housing issues. Penny said Board pictures will be taken at the next meeting for the Annual Report.

J P and Betsy gave some of the high points from the conference in Coeur d'Alene which included affordability data per county, technical assistance, and statewide community land trusts. Sheila Rice offered a discount for the Neighbor Works training in Portland. Betsy requested an official move to request the congressional leaders raise the bond cap.

Duane Ferdinand gave an update on the Oulette Place project with 24 units and thanked the Board for the Tax Credit allocation and also for coming to the area.

The next meeting is scheduled for October 15<sup>th</sup> in Shelby. Future meetings are tentatively scheduled for November 19<sup>th</sup> via Met-Net Video Conference, January 7<sup>th</sup> in Helena, February 11 via Met-Net Video Conference, and March 10 in Helena, April 7 via Met-Net Video Conference, May 5<sup>th</sup> South Eastern Montana, and June 2 in Pablo.

The meeting adjourned at 11:30 a.m.

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Susan Moyer, Secretary

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Date